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ECONOMY MINISTER ANNOUNCES NEW FISCAL MEASURES

PY250017 Buenos Aires TELAM in Spanish 1354 GMT 24 Dec 81

[Text] Buenos Aires, 24 Dec (TELAM) -- Economy Minister Roberto Alemann announced that the Economy Ministry today decided to reunify all money exchange markets into a single free-floating exchange market. At the same time and with strictly fiscal purposes, a standardized 10 percent export tariff has been established, together with a substantial decrease in reimbursements.

Alemann today held a press conference 1 hour before the opening of the exchange market to announce the first measures taken under the present economic leadership. He said that his action will be guided by three objectives; to deflate the economy, to deregulate it, and to restrict government intervention.

Then, he said, starting today the single exchange market is restored so that all transactions will have to be made through it; the exchange rate on this market will be freely established both for cash operations and for freely agreed upon forward-exchange operations.

In this respect, Alemann added that neither the Central Bank nor government enterprises will operate on the forward-exchange market and that exchange market operators will daily establish the going rate for different forward-exchange periods. This rate will be taken into account by the monetary authority for fixing the reference rate, which, though with variations, will be maintained. The minister said that the Central Bank will only operate as the government's financial agent, which is a proper function of this bank, while keeping a prudent and reasonable level of reserves at all times.

Under these modifications in the exchange market, the economy minister has also decided to abolish the present restriction limiting dollar purchases by private parties to $1,000 per person. The new limit is set at $20,000 under the same conditions (per day, per person and with affidavit).

Alemann pointed out that these measures are in agreement with the purpose of deflating and deregulating the economy, since with a free exchange rate the Central Bank will not buy -- as it is doing now -- all currency offered to it, thus doing away with a noticeable source of monetary growth. He added that the rate the agents first set for negotiating currency on the forward-exchange market will also serve to establish the internal interest rate, which will permit the Central Bank to set a realistic reference rate for the sole purpose of strengthening the assets of financial institutions which pay rates higher than the market's average.

The present reference rate system will be changed in the new legislation so that compulsory deposits made by the financial institutions which charge higher rates will be compensated through treasury bonds subject to a correction consisting of the financial adjustment index and a 7 percent annual interest rate.

Concerning taxation, Alemann explained that the treasury's current financial needs amount to 3 trillion pesos monthly, and that this figure will be substantially higher in December because of seasonal problems. That money, he added, which comes from printed money must be replaced by money coming from increased genuine income and expenditure cuts.

For this reason and for mainly fiscal purposes, a standardized 10 percent export tariff has been established, except for those products for which reimbursement applies.

The minister made it clear that this measure has been taken exclusively to meet pressing fiscal needs, that it is in itself an anti-inflationary resolution and that it will be removed as soon as the financial situation permits.

Likewise, minimum import tariffs were raised from 5 to 10 percent and maximum import tariffs were reduced from 48 to 43 percent. Export reimbursements, which can now be as high as 25 percent, are limited to 10 percent.

The minister also explained that in keeping with the above measures, the exchange insurance mechanism and the swap system were abolished, although operations which have already been contracted will be completed. He also reported that the obligation to delay payments on imports for a minimum of 180 days has been canceled.

Asked about the deposits' guarantee, Alemann said that the topic had not been discussed yet, but that the law on refinancing of liabilities is still in force.

After pointing out that it would not be advantageous to abolish indexation while inflation persists, he denied that inflation would grow as a result of the above exchange measures since, he said, inflation results from strictly monetary causes.

Alemann voiced his support for the free market interest rates; and added that if the market can endure negative rates, good; if it calls for positive rates, it will have them. He then said that since rates will be established mainly on the basis of free exchange operations, a high rate will show that the Argentine risk is still high, but we are convinced that the market will respond with confidence.

Finally, Alemann said that recession hit its lowest level in the third quarter of 1981, and so from now on the level of economic activity should improve substantially if there is confidence, adding that the most urgent matters have been tackled first and that other basic measures will be made known next week.

TWO PERONIST LEADERS, 51 OTHERS RELEASED

PY271925 Buenos Aires HERALD in English 26 Dec 81 p 9

[Text] (NA) -- Fifty-one people imprisoned under the terms of the state of siege will be allowed to return home and two Peronist leaders who have been held without charges will be put under house arrest in the wake of government decisions announced last Thursday by the Interior Ministry.

Julio Guillan, who, when he was arrested without charges in 1976, was head of the Peronist telephone workers union, and Jorge Cepernic, former Peronist governor of Santa Cruz Province, will be permitted to live at home, though still under arrest.

The Interior Ministry also announced that of the 51, 43 people imprisoned under the terms of the state of siege will be released outright, while 8 more will allowed to return their houses on restricted freedom.

BREZHNEV SENDS CONGRATULATORY MESSAGE TO GALTIERI

PY241300 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0155 GMT 24 Dec 81

[Excerpts] Buenos Aires, 23 Dec (NA) -- It has been officially reported that in addition to messages received from other countries, the U.S. and Soviet leaders have sent congratulatory messages to President Leopoldo Galtieri.

The message sent by Soviet President [as received] Leonid Brezhnev states: "I would like to congratulate you and extend my best wishes upon your assuming the presidency of the Argentine Republic. I am certain that the mutually beneficial relations established by the Soviet Union and the Argentine Republic will continue to develop for the good of our two nations and in keeping with our interests in strengthening world peace and international security."

PP-PMDB MERGER REVIVES TWO-PARTY SYSTEM

PY272310 Rio de Janeiro LATIN AMERICA DAILY POST in English 27 Dec 81 p 5

[Special to the DAILY POST by Herbert Zschech]

[Text] Rio de Janeiro -- The annual lull in politics which normally extends from Christmas to Carnival, is being shortened this year by the extraordinary session of Congress, ignored by the government which has the greatest hurry in bringing through its legislative reforms by which it hopes to guarantee the victory of its candidates on all administrative and legislative levels in next November's general elections. But developments in the last few days ominously suggested that the apparently safe strategy of the government might perhaps not be so entirely reliable, and the first signs of possible holes in the scheme immediately provoked angry official reactions last week.

The government's PDS [Social Democratic Party] has a very small majority of half a dozen votes or so in the Chamber. Its members have been ordered to be present in any circumstances at the voting on the electoral "package" in the first week of January, and of course to vote "yes". The principal item in the "package" is that which compels voters to vote for candidates all belonging to one and the same party, from governor down to aldermen, totalling 11 executive and legislative mandates to be filled. Since several opposition parties have no organization sufficient for the launching of own candidates everywhere in Brazil, including the smallest townships, and not even in all the states, this alone seemed to make the victory of the PDS in next year's elections almost certain.

Or perhaps not entirely so? The moderate party PP-Partido Popular -- on which the government's former political mentor Gen Golbery do Couto e Silva had placed hopes as a governmental reserve corps for the regime which eventually could be acceptable as an alternative in the event of a partial defeat of the PDS, decided last Monday at a national convention, with a large majority of votes, to "incorporate" itself into the strongest, but also the most radical, of the opposition parties, the PMDB [Democratic Mobilization Party].

This transforms the opposition into a bloc of heavy voting power and, most important, enables it to launch candidates on all levels throughout Brazil. Even admitting, as seems to happen, that the other, smaller opposition groups will not follow the PP example but will prefer to maintain their own political identity at the risk of scarcely showing up in the election results of many states, it is clear, and was immediately seen by the government, that this not only involves the acute risk of electoral defeat for the PDS, but that it virtually restores the two-party system which the Figueiredo administration abolished 2 years ago.

According to official statements, the government may not accept this. With the two-party system practically revived, next year's elections will again take on again what the regime wished to avoid, the character of nationwide plebiscite for or against the regime. And should the result be a popular vote against the political regime established by the military in 1964 (and still protected by it), the consequences could -- and probably would -- be unacceptable to the military and the leading men of the regime.

The government only last month had tried to prevent the union of opposition parties, expressly banning mergers and even electoral alliances. Now, the two principal opposition parties expect to have circumvented the ban with the "incorporation" formula. Governmental jurists were mobilized to study the possibility of annulling the "incorporation" in court, based on the statute of the party organization in Brazil. This might perhaps be possible, but the opposition leaders also have consulted some of the nation's leading jurists who find that the incorporation does not violate any law, much less the Constitution.

The government is further studying a second countermove, also in court. By coincidence, the Superior Tribunal of Elections ruled last week a planned candidacy for governor of Parana by the Labor Party [PTB] of Leonel Brizola -- which refuses the incorporation scheme of the opposition -- is not eligible because he was a founder of the government's PDS, only joining the PTB in order to obtain a party label for his candidacy. The candidate, Paulo Pimentel, had even been formally a member of the PDS. But the tribunal ruled that by having been one of the founders of the PDS, he had made himself automatically a member. By the switching over to another party, he entered in conflict with the party organization law which declares ineligible candidates who change party after it has been definitively organized.

This ruling could perhaps enable the government to annul in court all the candidacies of opposition members belonging to the PP, claiming that with the incorporation into the PMDB, they have changed their party membership. If this thesis should prevail, it would place out of the race next year many of the opposition's most prestigious candidates and vote getters, especially PP leader Tancredo Neves who has been already nominated opposition candidate for president of the republic in 1984, as well as many candidates for governor in various states.

But this thesis, too, is highly controversial among jurists and politicians. For its safety, the government may be tempted -- and this was already hinted at in the last few days in official political circles -- to extend the ban on electoral alliances to include the new form of "incorporation" of one party by another.

Is there still another possibility? Governmental federal deputy Bezerra de Melo says there is. He is collecting signatures for a constitutional amendment that would permit extension of all the present legislative and executive mandates over at least another year with cancellation of next year's scheduled elections. He claims to have gathered already more than 150 signatures on his project, 23 from senators, for having his project placed on the congressional agenda. As he puts it -- the survival of the present political regime is essential. It can only survive if Figueiredo's successor in 1984 belongs to the inner circle of the regime. This depend on the electoral college, composed of Congress, state lawmakers and representatives of municipal legislatures in addition to the state governors, that will elect the next president. The composition of the electoral college depends on the outcome of next year's general elections. Should the government's PDS be defeated next year, the regime in its present shape would be doomed. The next president would belong to the present opposition. Since this is a hypothesis deemed unacceptable, principally by the military, the answer could be a political coup, which is not desirable. Better postpone next year's election, to make possible the election of the next president by the present electoral college, where a result agreeable to the regime would be guaranteed in advance. The thesis seems to gain wide, though for the time being informal approval in governmental circles.

DETAILS OF 1982 BUDGET EXPENDITURES RELEASED

PY280001 Rio de Janeiro LATIN AMERICA DAILY POST in English 27 Dec 81 p 5

[From "Brazil's Week in Review" feature]

[Text] On the economic front, the government this week unveiled the monetary budget for 1982.

According to government officials, the new monetary budget was drawn up specifically to help reactivate the country's sagging economy.

Among some of the measures adopted are the expansion of consumer credit for durable goods, namely automobiles, a 70 to 75 percent growth in bank loans, a 50 percent expansion in currency emission and for the means of payment and a 11,800 cruzeiros per sack minimum coffee price.

According to the new monetary budget, large scale agricultural producers will have 50 percent of their financing subsidized by the government. That percentage rises to 70 percent for medium scale producers and to 100 percent for small-scale producers.

The monetary budget set aside 2.5 trillion cruzeiros for agricultural financing projects, 473.1 billion cruzeiros to finance exports and 152.9 billion cruzeiros for the pro-alcohol program.

For one observer, specialized in economic matters, "the government wants to reactivate the economy in order to win the 1982 elections. Not enough attention has been given to the inflationary effects these new measures will have."

ENVOY EXPLAINS STAND ON POLAR EXPEDITION

PY230216 Rio de Janeiro O GLOBO in Portuguese 22 Dec 81 p 6

[Excerpts] Brasilia -- Argentine Ambassador Hugo Caminos yesterday said a Brazilian expedition to the Antarctic "is not a problem" for his country.

The ambassador further said that "we have the official position of Itamaraty and the Navy Ministry stating that Brazil intends only to comply with a requirement of the Antarctic treaty to become a permanent member thereof. Therfore we have no reason to oppose it."

The ambassador explained that his government continues to defend the principle of territoriality by saying: "Argentina sent its first expedition to the Antarctic in 1904. The treaty was formalized in 1961, after we had already been there. Argentina, Chile and Australia are veterans there and so they claim territorial sovereignty over the areas of the Antarctic continent.

"Brazil, however, cannot claim territorial sovereignty because it became a signatory to the treaty only in 1974, when it had already been established that no country could make that claim any longer"

PRESIDENT ALVAREZ' SPEECH INAUGURATING NEW DAM

PY230152 Montevideo Domestic Service in Spanish 2118 GMT 22 Dec 81

[Speech by Uruguayan President Gregorio Conrado Alvarez at inauguration of first turbine at El Palmar hydroelectric dam on 22 December -- live]

[Excerpts] To my Uruguayan people:

It is with particular solemnity that the national government is gathering today for the inauguration of the first turbine of the Palmar dam, this genuine result of the process, a project carried out through the efforts of Uruguayan hands and minds and which is nearing its finishing stage, to the pride of all.

It happened to be at the time when the petroleum crisis was worsening and when finances and credits were in a situation of depression that it was decided to carry out this Palmar project which had been both criticized and desired for a long time and is still looked upon with pessimism by many technical experts. The objective was to change the energy situation of the country in a few years and satisfy our needs at a time of serious world recession, creating possibilities for everything that is at stake for agricultural, industrial and service growth in Uruguay. It is also an exemplary way to use the resources of the republic to consolidate its political and economic independence.

As we have stated earlier, one of the goals of our government is to establish the institutional, political and social bases to achieve democratic normalization. There is no need to outline once again the serious circumstances which led the armed forces to suspend, temporarily at first, the functioning of the political parties, without ever ceasing to proclaim that they would be restored in due time on bases which guaranteed that the tragic events of the 1970's, which seriously compromised our freedom, would not occur again. We should, therefore, stress the fact that the foundations have been laid for the statute of the parties, both the parties now existing and those which may appear in the future. The task we have undertaken and brought to an end has not been easy. The wounds, the distrust and the fears sown during the last two turbulent decades we have experienced have posed constant difficulties, and certainly not small ones, which we have had to face and overcome. To those difficulties, which in a way were natural, it is necessary to add those deriving from the influence in this country of foreign interests, linked with totalitarian ideologies which seek their own advantages in the natural rivalries of the political stage and in the feelings and possible megalomanias of some leaders which have not been very appropriate for democratic coexistence or suitable for its preservation.

Despite all this, by overcoming various stages and assuming dangers, the basic features of the statute of the political parties are practically finished and will be submitted to the Council of State.

In the 1 September message we also stated that the total independence of the judicial branch will be restored on the level of the juridical framework of its activity and on the level of the funds it needs for functioning. This is a concession to one of the pillars of future institutionality.

During the Piriapolis conclave, which took place from 19 to 25 November, all aspects of the government policy were analyzed, sector by sector, and guidelines were drawn up for the actions to be taken, at least during next year. Each and every one of the aspects of the overall government policy were carefully reviewed with a view to possible revisions in order to apply possible corrective or complementary measures to what is already being done.

I do not intend to make a detailed analysis here of the resolutions that were approved regarding all the sectors. Such an analysis would be out of proportion with the purpose of this message and would also be useless, since the official document containing the decisions has already been published. It will be useful, though, to dwell on some of the measures taken regarding a few sectors, apart from the infrastructure efforts in the fields of integration roadwork, rural electrification and massive forestation.

Regarding the rural sector, it was decided, apart from the measures of refinancing and the framework forming the general lines of our economic policy, to eliminate the transfers of income made by the primary sector to other sectors which -- despite having been reduced since 1978 until now -- continues to be an obstacle to the development of the sector. Some of the factors, such as the high interest rate, harm the whole economy.

Regarding the industrial sector, the decisions made form a packet of measures which are also carefully aimed at the temporary situation we detected. The main political measures can be summarized as (?neutrality) in taxing, long-term reduction of customs tariffs, short-term adjustments of protective measures, the establishing of rules for advance foreign currency sales and the fixing of prices of levels compatible with announced exchange rates. As a complement to this packet of measures, a promotion is planned for the entire industrial sector, as well as the agrarian sector, through a system of long-term financing.

Finally, the Piriapolis conclave decided, as the most important and urgent measure, upon the immediate reduction of public expenditure. This plan which includes a number of steps for its execution, has now begun to be applied. The meeting had hardly ended when all public offices received precise instructions regarding putting into effect restrictive measures regarding expenditures which were immediately applied, including a 25-percent reduction in the number of vehicles used for administrative purpose and the consequent reduction in fuel consumption.

The world has not yet recovered from the oil crisis; it is threatened by recession and the specter of a third world war. I am sure that most of you realize these difficulties. In the midst of them we are trying to solve all the problems one by one and trying to prevent others from appearing in the future. We are also trying to open the doors for a lasting democracy in the midst of ambush and danger.

The democratic dialogue that started in the country a few months ago naturally involves the possibility of resentments and disagreements. Dissent or disagreement is typical of free men just as in totalitarian regimes resentment and disagreement are prohibited or punished when they take place. Due to the special circumstances under which dialogue was planned, it can be the target of the systematic criticism which condemns everything the government does just because the government does it; a type of opposition which sees the good on one side and the bad on the other. Those in opposition have no sense of responsibility, not even the type of responsibility normally given by the opposition to any regime. But at least the country has some civic maturity.

Under these circumstances, the best initiatives run the risk of being submitted with all kinds of imperfections which make them immediately appear undesirable. Our country in the past has lost faith and confidence in the future, due to the preaching of some sectors of the population who spread an intellectual [words indistinct] style capable of destroying anything in sight but incapable of carrying out any practical achievements.

Despite all the difficulties I have mentioned and despite all the difficulties that will appear; despite everything and despite those who oppose us, I have a profound faith in the destiny of our fatherland and in the solutions we will all find. This is the faith I have, the faith that my aides have, those who have agreed to cooperate with me in this period of transition for a full democracy. That is the type of faith I would like to convey to my countrymen.

We want peace because it was hard to win it in a war for our people and it is our intention to build democracy and freedom based on this peace. Others can say that it is the other way around, but the alternatives do not permit any other option. Whatever it costs, Uruguay has an environment of peace and social security which will allow its people to fulfill their desire for freedom and democracy.

Let us look at this magnificent El Palmar dam, the realization of a dream of a people who work in peace and want to grow; this is one more step forward for the national progress heralded in armed forces in Communiques No 4 and 7 in 1973. By looking at this magnificent hydroelectric structure we should recall the important role that each part plays, no matter how small. All are part of the total project which is now a beautiful reality. This is how all Uruguayans uniting their efforts should actively participate in this process of national reconstruction.

In conclusion, women, men, young people and children, we would like to convey to you during these festivities of profound spiritual feeling, for the great Uruguayan family, our message of work, love, and peace, and the assurances of sincere faith in the achievement of a destiny full of happiness; may this become true.

GOVERNMENT ISSUES DECLARATION ON POLAND

PY241349 Paris AFP in Spanish 1231 GMT 22 Dec 81

[Text] Montevideo, 22 Dec (AFP) -- In a declaration published today, the Uruguayan Government expressed its desire for a well-considered solution in Poland, a solution determined exclusively and freely by the people. The declaration states that this desire is expressed by the Uruguayan Government within the framework of the principle of noninterference in domestic affairs of other states, a principle which is the necessary basis for international behavior.

After noting that it is following the development of the serious events in Poland with the maximum of attention, the Uruguayan Government concluded by expressing hope that the solution will be based on freedom, justice and respect for the basic rights of man.

EL DIA COMMENTS ON RULES FOR 1984 ELECTIONS

Commander Cardozo's Views

PY231727 Montevideo EL DIA in Spanish 11 Dec 81 p 9

[By Anibal Garderes]

[Excerpts] Canelones -- Uruguayan Air Force Commander Jose D. Cardozo Asserted to this journalist at the end of ceremonies held to close the academic activities of the Air Force Technical School, that there is still nothing decided at government level about the number of political parties that will participate in the 1984 elections. Lt Jose Cardozo said that "the draft has still not been discussed by the Executive Branch, and consequently, there is nothing definitive. There is perhaps a discussion in this regard, but there is still nothing specific and there will not be until the Executive Branch submits its decision to the Council of State."

Navy Chief's Remarks

PY231518 Montevideo EL DIA in Spanish 12 Dec 81 p 8

[Excerpts] The navy commander said today that is has still not been decided whether only those parties that have held meetings with the COMASPO [Armed Forces Political Affairs Commission] will participate in the 1984 elections, noting that "politics is a dynamic thing, it cannot be static, therefore, no one can tell what will happen."

The navy chief had noted last Wednesday that only the three parties -- Colorado, Blanco and Civic Union -- were going to participate in the 1984 elections.

Army Commander's Views

PY231830 Montevideo EL DIA in Spanish 12 Dec 81 p 8

[Excerpts] Las Piedras -- Gen Julio Cesar Rapela, the 1st Army Division commander, told EL DIA yesterday that the number of parties that will participate in the 1984 presidential elections will not be restricted.

He said that "there may be different positions by 1982, but in principle we are working on the basis that three parties -- the Colorado, Nacional and Civic Union Parties -- will hold internal elections." He noted, however, that there is still no definitive decision in this regard and there may be still further discussions on this issue.

He added that "the possibilities for 1984 are complete -- that is, all those who want to constitute a new party in keeping with those conditions established by the law, may do so."

He reasserted that in addition to national elections, all existing and future political parties will hold internal elections in 1984."

Asked about the possible infiltration of political parties, Rapela said: "I am not concerned whether the person casting a ballot is a communist or not."

In this regard he said: "It is very likely that there will be infiltration. It is obvious that those who are not able to vote for their parties will vote for the traditional parties. But this is irrelevant. The important thing is to elect the proper party representatives and for the party lists to include men having truly democratic and republican ideals. I am not concerned if the person casting a ballot is a communist or not."

He added that subversion is a constant threat and that it is supported through financial means from abroad.

He noted: "This is why we cannot afford not to pay attention to it. We are not concerned about subversion since it is under control, but we are concerned about what may happen if the proper security measures are not enforced."

SOVIET DELEGATION SIGNS AGREEMENT TO BUY BEEF

PY232021 Buenos Aires LA PRENSA in Spanish 22 Dec 81 p 14

[Text] Montevideo, (EFE) -- It was officially reported here that the USSR has bought 3,000 tons of beef from Uruguay in the first transaction of this kind between the two countries.

A Soviet negotiating delegation arrived in Montevideo last week and visited the various plants where beef is processed.

Following the inspection, the Soviets signed an agreement at the National Meat Institute.

This transaction was well received by Uruguayan meat producers, because at present there is an oversupply and it is difficult to place the product on the international market.

EL SALVADOR

GUERRILLAS CONTINUE OPERATIONS CHRISTMAS EVE

PA250302 Havana International Service in Spanish 0000 GMT 25 Dec 81

[Text] FMLN squads continued operations today in San Salvador's suburbs, where they attacked army patrols and military and civilian dependents of the dictatorship. Intensive fighting has been reported in Cuscatancingo, San Antonio Abad and (Cretiza city), all located near the capital. Also an intense clash occurred between guerrillas and customs police 6 km from San Salvador.

FMLN fighters also attacked an army patrol on the Medusa ranch in Santa Ana Department and inflicted several casualties. The guerillas also occupied ranches and sabotaged communications in La Union, Usulutan, San Vicente, Cabanas and Morazan departments. Meanwhile, Guerrilla Commander Salvador Cayetano Carpio reasserted his appeal to the international community to increase its aid to the liberation struggle being waged by the Salvadoran people. He also charged that the United States and the military-Christian Democratic junta do not accept another solution to the Salvadoran conflict but are submitting all the people of this Central American country to genocide.

RADIO VENCEREMOS BACK ON AIR; FMLN ISSUES REPORT

PA270421 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 27 Dec 81

[Statement by Jorge Melendez, member of the FMLN General Command, responsible for the Francisco Sanchez Northeastern Front -- no date or place given; live or recorded]

[Excerpt] Friends throughout the world, companeros of the FMLN, Salvadoran people: Now that we are renewing the Radio Venceremos broadcasts, I am addressing you to report on the latest events. First of all, it must be understood that the operation against Morazan that started on 6 December was not an isolated event. It is part of a defensive military operation by the genocidal military junta. This campaign includes operations against each of the areas controlled by the FMLN, so as to disrupt the defense capacity of each of our fronts. They have conducted operations against Chalatenango, Guazapa, La Union, San Agustin, Tres Calles, San Vicente and Cabanas, and they will attack La Union again as the final part of their ambitious plan against the northeastern area.

The genocidal military junta and the fascist military high command were seeking to disband the FMLN in Morazan and to destroy Radio Venceremos. At the same time, and as part of the military campaign, the Christian Democratic junta displayed its electoral propaganda as a political masquerade to cover up the Reagan administration's real plans for El Salvador. However, the FMLN, led by the high command, thwarted the genocidal junta through a military counterattack throughout the country. At the same time the FMLN and the DRU [Unified Revolutionary Directorate] reiterates that it has a concerete proposal for a political solution leading to just and democratic peace to end our people's suffering and the danger of military aggression against the peoples of Central America and the Caribbean, thereby averting the grave threat to world peace posed by this aggression.

FMLN MANIFESTO REPEATS CALL FOR DIALOGUE

PA280300 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 27 Dec 81

[Manifesto issued by the FMLN General Command to the Salvadoran people and all people of the world, signed by Cayetano Carpio, Joaquin Villalobos, Roberto Rosas, Ferman Cienfuegos and Jorge Shafick Handal 11 December]

[Text] Within the Salvadoran democratic and revolutionary movement there can be no political solution to the armed conflict.

The Salvadoran people are waging a great political and military struggle against the infamous [word indistinct] dictatorship. Step by step, the revolutionary and democratic revolution has defeated, one by one, the tactics of the military-Christian Democratic dictatorship so far.

The development of the war: It is evident that the people have defeated the first stage of the counterrevolutionary and interventionist strategy promoted by the U.S. Government. In view of this progressive victory of the revolutionary forces, the fascist military, the Duarte supporters and their North American masters have implemented a line of conduct which can only be considered criminal and genocidal. The government murders some 30-40 persons daily, most of whom have been kidnapped, tortured and mutilated. During 1981, the government launched an average of three offensives monthly against our guerrilla bases. All of these have been repelled by the FMLN. These attacks attempted to eliminate support for the guerrilla forces.

The dictatorship implements brutal massacres against humble and defenseless peasant and suburban communities. Instead of frightening the people, all these fascist criminal actions have convinced them that peace can be attained only by defeating the intervention of the fascists and all their lackeys.

Combining all the forms of political and military struggle, there has been created in the world a wide and decided solidarity movement which supports the heroic struggle of the Salvadoran people, demands a halt to U.S. intervention and respect for the self-determination of the Salvadoran people, condemns the fascist massacres of the Duarte regime and upholds the people's aspiration for the conquest of democracy, social justice and peace. This is the support of the peoples of the world, expressed by means of many political organizations, such as the Socialist International and other social and religious organizations, which also have the support of countries like France and Mexico. Those countries recognize the representative nature of the FMLN and the revolutionary democratic movement [FDR] and are convinced that without the efforts of the vanguard of the people's struggle there can be no political solution to the confrontation.

This world solidarity became more evident on 6 December, when the UN general assembly, with a broad majority, expressed its support for a true political solution through negotiations between the parties in conflict and the rejection of the March electoral masquerade.

This is open support for the position of the FMLN and the FDR which was presented at this same assembly on 7 October. It also unmasks the electoral political plan of the junta as an attempt to conceal intervention and genocide.

This resolution also [word indistinct] the OAS resolution which reveals that the puppet junta also has the firm support of the most shameful Latin American dictatorships and that the Reagan administration, using pressure and international formulas, is trying to turn the OAS again into an instrument of U.S. intervention and aggression against the Latin American peoples. The OAS resolution does not really represent a unanimous position or support for the interventionist efforts of the U.S. Government. Neither is the OAS resolution a positive support for the electoral farce organized by a government of puppets. The March 1982 elections are a deceit which will not succeed. Their only objective is to give alleged legitimacy to the Yankee intervention against the Salvadoran people since January 1981, to keep a minority in power which has traditionally exploited and oppressed the Salvadorans.

The only solution in El Salvador lies with the people. There can be no solution without the people. If there is direct or indirect U.S. intervention, regardless of its form, the Salvadoran armed conflict will be regionalized. The FMLN-FDR is not in favor of war or its internationalization. The FMLN-FDR is for peace and for respect of the Salvadoran people's right to forge their own destiny.

Therefore, the FMLN informs the people of El Salvador and the world:

1. Of its absolute and definite rejection of the electoral farce that the military-Christian Democratic junta, supported by the U.S. Government, advocates for the purpose of imposing a false constituent assembly, which would be the symbol of the most shameful deceit.

2. That as long as the demofascist [demofascista] and traitorous dictatorship exists, as long as terror and genocide are imposed, we shall firmly uphold our decision to fight with weapons in hand, before, during and after the elections until peace has been won and democracy established.

3. That we reassert our willingness to find a political solution that will seek the end of the armed conflict by means of negotiations to attain a just peace.

The FMLN informs our people, and all the people of the world, that it has prepared its basic points of view so that it may begin a dialogue at any moment with all the forces involved, thereby leading to negotiations and a realistic solution.

United to fight until the final victory. Revolution or death, we will win!

GUATEMALA

BOMB BLASTS ENTRANCE TO NATIONAL CONGRESS

PA271925 Paris AFP in Spanish 1632 GMT 27 Dec 81

[Excerpts] Guatemala City, 27 Dec (AFP) -- A powerful bomb exploded last night at the entrance of the Guatemalan National Congress. No victims were reported. With this action, the wave of terrorist activity in the capital city is once again resumed following a short Christmas "lull."

It is believed that dynamite was used to blow up the congress door. The shock wave also affected several buildings close to the congress, but because of the late hour there were no victims. Police cordoned off the area, keeping private citizens out. The five policemen guarding the building were unharmed.

The security forces have taken special measures in an attempt to control terrorism, and several streets of the city have been closed to traffic. Hotels and other buildings are under special surveillance to forestall attacks.

SALVADORAN GUERRILLAS CLAIM ATTACK ON CONSULATE

PA270236 Guatemala City PRENSA LIBRE in Spanish 21 Dec 81 pp 2, 122

[Excerpt] The Salvadoran Consulate, located on 7th Avenue and 6th Street "A," Zone 9, was set afire last night by a Salvadoran group which identified itself as the "Roque Dalton Command," according to an anonymous phone call to this paper's editorial office.

Eyewitnesses confirmed that eight men had entered the consulate and flames were seen soon after. Nearby residents said the consulate has no police guard, which contradicts the information of the "Roque Dalton Command," which claimed to have foiled the police. These sources claim to have heard an explosion prior to the fire.

Volunteer firemen arrived promptly and kept the fire from spreading to other houses in the vicinity, alhtough all the consulate's furnishings were destroyed by the fire. Damage to the installations have not yet been estimated. The fire also destroyed documents of Salvadoran citizens residing or in transit in Guatemala, according to the ambassador and the consul, who were at the consulate.

GOVERNMENT PLANS TO TRIPLE SIZE OF ARMED FORCES

PA242223 Buenos Aires LATIN in Spanish 1711 GMT 24 Dec 81

[Text] Guatemala, 24 Dec (LATIN-REUTER) -- Currently facing strong leftist guerrilla insurgency, Guatemala expects to triple its armed forces this year to a total of 60,000 men.

National Defense Minister Luis Rene Mendoza Palomo informed journalists last night that President Fernando Romeo Lucas Garcia had given the order "to combat communist subversion more effectively." Gen Manuel Benedicto Lucas Garcia, army chief or staff, added that Guatemala eventually hopes to have a force of 150,000 men. In order to achieve this goal, a strict military draft and recruiting campaign have been planned.

More than 3,000 persons were killed this year as a result of increasing violence in this Central American country with a population of 7 million. As in neighboring El Salvador, leftist guerrillas are trying to overthrow the government, which is supported by the armed forces and extreme right paramilitary groups. Two policemen died in clashes with guerrillas in the past 24 hours.

National Defense Minister Mendoza said that "unfortunately the world is not at peace this Christmas. Guatemala is not at peace and unfortunately, some homes are in mourning because of the actions of criminals who sold out to communism."

NICARAGUA

FOREIGN MINISTRY SENDS PROTEST TO HONDURAS

PA252254 Panama City ACAN in Spanish 1729 GMT 25 Dec 81

[Text] Managua, 25 Dec (ACAN-EFE) -- The Nicaraguan Government today reiterated its protests to the Honduran Government against the "criminal incursions" of former Somozist guardsmen who are attacking Nicaragua from Honduras. The Sandinist television and the government's radio station today, Friday, read a note that Nicaraguan foreign minister, Father Miguel d'Escoto, has sent to Honduran Foreign Minister Cesar Elvir Sierra.

The Nicaraguan Foreign Ministry says that since 29 August this year, armed incursions by the counterrevolutionary bands have been constant in the communities of Asan, Santa Isabel, Krasa and San Carlos in the northeastern zone of Nicaragua. The note says that the attacks have increased during the last 4 weeks and have left a balance of 12 dead and 15 other Nicaraguans missing. According to the note, the Nicaraguan Government considers it its obligation to reveal that some Honduran military officers are collaborating with the bands of former Somozist guardsmen. The name of Maj Leonel Duque, the military chief of Puerto Lempira, is mentioned as one of those officers.

The Sandinist government says it does not understand the attitude of the Honduran Government which has refused to participate in a defense ministers meeting to try to find a solution to the causes of tension in the border zone. Commander Daniel Ortega, coordinator of the junta of the Government of National Reconstruction of Nicaragua, and Gen Policarpo Paz Garcia, the president of Honduras, met last May in Guasaule, a border post, where they agreed on the defense ministers meeting, which so far has not been held.

The Nicaraguan Foreign Ministry is asking for an investigation of these armed incursions, sactions for those responsible and information on the measures that the Honduran Government will implement to stop the repetition of those incidents in the border area. Nicaragua insists on the need to hold the defense ministers meeting between the two countries. The Nicaraguan Foreign Ministry note says that the 12 Nicaraguans have been captured by the Somozist bands and taken to Honduras where they were tortured and murdered. According to the Nicaraguan Foreign Ministry these Nicaraguans were buried tied and naked in a common grave.

BORGE: INTERIOR MINISTRY ON 'PERMANENT ALERT'

PA241450 Managua Radio Sandino Network in Spanish 1200 GMT 24 Dec 81

[Text] The Interior Ministry is always on the alert because it is the sentinel of the people's happiness and of the future of revolution. The ministry is vigilant 24 hours a day, said Commander of the Revolution and Interior Minister Tomas Borge Martinez during the meeting held yesterday afternoon for the social communications workers at the journalist's house. Commander Borge said that lately the probability of attacks on Sandinist leaders has increased. We are not afriad, however, he noted, becuase we know that is the price we must pay as revolutionaries. He added, nonetheless, that all concerned keep their eyes wide open 24 hours a day and that they have specialized organizations which know more then our enemies think.

Referring to the state of emergency itself, Borge said there is a possibility it may be imposed should circumstances so warrant. Commander Borge warned those who attribute little importance to counterrevolutionary activities to think a little more carefully or they may have to share responsibility for such actions by what they call armed opponents of the revolution. We understand that the opposition forces are the political parties, Commander Borge said. According to published information, he added, it appears that these parties already have their armed branch just as the FSLN once did. In this case, he said, that armed branch is working for the counterrevolution. Here is an excerpt of Commander Borge's statement:

[Begin recording] It was true. LA PRENSA said that they are the armed branch of the forces opposing the revolution, which means it is true since they claim that if LA PRENSA says so, then it is true. It means, then, that they already have an armed branch. The reports on the armed activities said those forces oppose the revolutionary government. Then, we understand, as I pointed out in the seminar, that the opposition forces are those opposed to the revolution and that apparently the opposition forces already have an armed branch. We must think seriously about these reports as they are not merely words but have profound significance. They should think at least twice about the path they are choosing. Meanwhile, the Interior Ministry will continue on permanent alert. The ministry is the sentinel of the people's happiness. Likewise, the future of the revolution also has a sentinel which is always alert and whose guard is up every hour of the day. [end recording]

Admits Insurrection

PA241609 (Clandestine) Radio 15 September in Spanish to Nicaragua 0300 GMT 24 Dec 81

[Text] Comrade Tomas Borge has publicly admitted that freedom commandos of the Nicaraguan Democratic forces have killed no less than 15 of his repressive troops in combat thus far in December. He also admitted the constant increase in the activities of our freedom commandos, especially in the mountains of northern Nicaragua, from which this insurrectional struggle is being waged to rid our fatherland of the communist joke. (?Brother) Borge made the statements during the closing of the third regional seminar on racial discrimination organized in Managua by the United Nations. The seminar was a complete fiasco and political force. Onward, freedom commandos, victory is near.

NEW LONG-TERM LOAN GRANTED BY CZECHOSLOVAKIA

PA261301 Managua EL NUEVO DIARIO in Spanish 19 Dec 81 p 7

[Excerpts] The solidarity that Czechoslovakia has shown and still shows to Nicaragua is both broad and very valuable, particularly at a time when U.S. imperialism continues its infamous actions and threats against the Sandinist revolutionary process. Frantisek Koutecky, the Czechoslovakian ambassador to Nicaragua, has proven this with positive actions, as he reported that his country is preparing five more donations and material aid for educational programs. He also said that commerical, cultural and diplomatic relations between Nicaragua and Czechoslovakia grow closer and more friendly with each passing day.

A consular agreement is being drafted by which Nicaraguans will no longer require a visa to travel to Czechoslovakia. The same applies to Czechoslovakian citizens travelling to Nicaragua. The most important aspects of the two countries' commercial relations during 1982 will be $20 million that the Czechoslovakian Government is granting Nicaragua under generous conditions to finance three textile factories, two in Managua and one near Leon. Another long-term loan of $10 million at a low interest rate has been approved by Czechoslovakia for Nicaragua; it is for the purchase of machinery and equipment for the mining industry and the installation of machine shops. Czechoslovakian technicians will come to install the workshops.

RIGHT TO STRIKE SUSPENDED 'DURING ECONOMIC CRISIS'

PA240439 Managua Radio Sandino in Spanish 0300 GMT 24 Dec 81

[Text] The junta of the Government of National Reconstruction issued a decree suspending the right of strike for the duration of the law on the state of economic and social emergency issued on 10 September this year. The decree went into effect yesterday with its publication in the official newspaper LA GACETA. The decree also prohibits the occupation of work centers. It does not affect other aspects of the labor law such as the right to organize unions, to enter into collective barganing and other labor rights. With regard to the procedure to be followed in the solution of economic and social conflicts, the management and the workers will submit their respective conditions to the labor authorities, who will have the power to interpret the law for an adequate solution of the conflict.

BORGE GIVES SPEECH TO UN RIGHTS SEMINAR

PA221920 Managua Radio Sandino in Spanish 0021 GMT 22 Dec 81

[Speech by Commander of the Revolution Tomas Borge to close UN seminar on racial discrimination in Managua -- live]

[Excerpts] [Broadcast in progress]...with 12 companeros. They were received with gunfire when they tried to land. The copilot and five other companeros were wounded. [shout of "(?Long live) the revolution"] One of the helicopter's engines was seriously damaged. It had to make an emergency landing in Waspan. They had to use another helicopter to carry the wounded. A transport plane was also damaged by the counterrevolutionary forces.

The tactical group of the 4th Military Region reported that they battled counterrevolutionary groups on 14 December at 1600 in the Casqueta area and [word indistinct] five counter-revolutionaries died [word indistinct] the names of the dead counterrevolutionaries and the weapons that were seized. Without any doubt, these activities cannot be carried out without bases in Honduras.

We must be on the alert against these provocations. The armed forces chiefs -- Humberto Ortego, commander in chief of the Sandinist People's Army; Commander of the Revolution Luis Carrion and myself -- are already considering emergency measures, which may entail a decision to declare a military emergency or a state of war in the country. [prolonged shouts and applause]

I also have here the report issued by the Attorney General's Office of the Republic of Mexico on the attempt against the AERONICA plane. In a nutshell, the report says: the undersigned, experts in the field of fires and explosives and appointed to issue an expert opinion concerning the previously mentioned inquest, submit the following report to you. It is addressed to (Cesar Dominguez Ruiz). The background section of the report notes that there was an explosion in an airplane at Mexico City's International Airport on 12 December. It stresses that the explosion involved a plane and gives the plane's characteristics, describing it as a Boeing aircraft and so forth. A technical evaluation was made and an irregular hole, 1-m wide and 1.70-m high, was found in the plane's left rear. In other words, the explosion left a hole which extended into the passenger cabin and part of the left side of the rear luggage compartment. Damage to the internal components of the plane included, at first glance, the line feeding the engine, some electrical equipment, communication lines, internal lighting systems and oxygen masks for the passengers. There was other damage not related to the purposes of this expert opinion.

In order to immediately adopt security measures, it was agreed, in conjunction with the federal prosecutor's office and the airport authorities, to move the plane and all luggage to the airport's security area.

The report then says that a technical evaluation was performed later to determine the probable location of the explosion and what device or devices could have caused it. The result was that no additional devices or explosives were found. By tracking the trajectory of splinters and other products of the explosion, the locus was initially determined to have been between the luggage compartment and the left window seat in the last row. However, continuing with the tracking of the displacement of metals such as the aluminum on the floor as well as the three seats (?on the left side), the material divided the passenger section and so forth, and based on the laboratory analysis and the interpretation of the chemical analysis that chemical experts made it is surmised that nitrates, [word indistinct], (nitrated) products of [word indistinct] such as nitrobenzene were found. Phosphoric acid was also found.

In brief, the experts found that the explosive device was (?composed) of TNT and the explosion had a speed of 6,500 meters per second and a gas pressure which [word indistinct] lower than 20,000 kg per square centimeter. The technicians found 50g of TNT, which is a very powerful explosive.

These are the forces opposed to the government, according to the daily newspaper LA PRENSA of Nicaragua. The 15 companeros fell because the opposition forces killed them. As far as we know, the Social Christian Party, the Democratic Conservative Party and the Nicaraguan Democratic Movement had (?played) with the opposition forces, with the name of opposition forces. However, it so happens that now, according to this newspaper, the opposition forces include not only the murderers of the teachers and the peasants in the Chontales area but also the murderers of our companeros at the border.

[Words indistinct] (?as news) for these gentlemen, other armed clashes, as they call them. We now know who the opposition forces are in Nicaragua. We now know that they are murderers. We know now that the murderers of teachers are the same ones who have raped peasant women and who are murdering our companeros at the border. [shouts by the crowd]

(?Well then), the companeros who fell there also fell for human rights because, in the final analysis, winning the battle for human rights means enforcing the people's rights. And this achievement is tantamount to reaching the summit of a mountain via a thorny path and surrounded by abysses and ambushes. We know that light and joy are at the summit and that at the summit we will perhaps find the bird of light or Aladdin's lamp or rivers of milk and honey. That is to say, we will achieve a new society.

This seminar on human rights refers fundamentally to racial discrimination. What is racial discrimination? I believe that at some seminars it has been said that it denotes discrimination, exclusion, restriction or preference based on race, color, lineage or national or ethnic origin. Also, an attempt has been made in this seminar to describe the characteristics of discrimination.

We do not want to criticize anybody. Neither will we try to give definitions. However, in our opinion, racial discrimination is a primitive and brutal form of exploitation of man by man. It is an expression of the class struggle. Colonialism and neocolonialism, which are expressed through the domination of a nation by another, necessarily entail racial discrimination.

The bombs that fell on Vietnam to exterminate the population and wreak irreversible ecological damage in order to end all vestiges of human and animal life in that country were manufactured with the same TNT used to make the bomb which attempted to kill over 100 innocent passengers. Furthermore, that bomb was manufactured with racial hatred.

The ferocity of the South African whites against the blacks, the colonial domination of Puerto Rico and even imperialist threats against Nicaragua are expressions of racial discrimination. Fascism, Zionism, apartheid and imperialism reflect the rejection and scorn felt by this sort of international Ku Klux Klan against blacks, Indians, mestizos, mulattos and other ethnic groups living in backward and subjugated countries.

Racial discrimination was born simultaneously with exploitation of men by men. Slavery was the desire to tangibly utilize men against other men. Blacks learned what it meant to be an instrument of work centuries before Indians learned about it in colonized America. In Nicaragua, the Indians were victims of racial discrimination by the Spaniards, the British and the North Americans. The most important remnants of this discrimination exist along our country's Atlantic coast.

What has the Atlantic coast been? We said this once. First it was a (?British) colony and later a colony of Nicaragua's Pacific region. Somoza was Nicaragua's dictator and the colonial master of the Atlantic coast. The Atlantic coast was always isolated and racked by extremely serious social problems.

The Sandinist people's revolution achieved freedom for all Nicaraguans. But it meant the beginning of decolonization on the Atlantic coast. It is a strategic task of our revolution to liberate the Atlantic from its backwardness, its extreme poverty and the manipulation attempts by the enemies of the revolution.

Since the inception of the revolutionary struggle, we have had the opportunity to experience this colonialism directly. It seemed to have kept a large segment of the Atlantic population living as they did under Spanish colonialism in the 16th or 17th centuries.

We recall that when we first dealt with the Atlantic people, while we were guerrillas, they called us Spaniards, just as they currently term all residents of the Pacific area of Nicaragua. They think that they should call us Spaniards.

Their food, [words indistinct] the basic necessity of human life, was bananas, boiled and mashed, what they call (coagul).

We contributed what little we could at the time. We gave a bit of knowledge about medicine and medical care. They began to call us the good guards, due to the military clothing we wore as guerrillas, to differentiate us from the Somozist henchmen whom they called the bad guards. And now it turns out that these same Somozists, the bad guards, have become great defenders of the Atlantic coast Indians and are trying to kindle a rebellion on the Atlantic coast.

Now it turns out that the leaders of the murders and the torture, like [name indistinct], (Samuel Jennings), and those of the Somoza family who are still alive, are trying to become the leaders of the Atlantic coast Indians. They, who never remembered the Atlantic coast while they were in power. They, who only remembered the Atlantic coast while they were in power so as to sell its gold to the transnational companies for a few pennies. They, who never built roads, factories, or hospitals, nor did social work, now want to become the saviors of their former victims.

They did not build a road to the Atlantic coast; the revolution did. They did not take radio, television and the telephone service to the Atlantic coast; the revolution did. They did not show concern over the health, education and culture of the Atlantic coast; the revolution did.

Now, through their former agents like Steadman Fagoth, who is one of the promoters of those ambushes -- he is only promoting them because it is not very probable that he is leading them, because he is not capable of leading anyone or anything. We knew him personally, and as soon as one speaks to him in a slightly loud voice he begins to tremble like a dog in the rain. [shouts and applause]

And with these words that I am saying, you will all see that as soon as Steadman Fagoth hears what I am saying, he is going to run and crawl under a bed. I am sure of that. [cheers and applause]

He is a former agent; this Fagoth was an agent of the Somozist security corps. And we were so generous, and I believe so stupid, that we released him from jail. [cheers and applause]

Therefore, taking advantage of the region's backwardness, manipulating the Indians' religious beliefs, exploiting the unsatisfied aspirations of the region, they, who were never capable of carrying out a literacy campaign, are now trying to confuse the residents of the region with their lies; they are telling the residents that we want to uproot their culture when for the first time in the history of the Atlantic coast we have revived the culture of the region.

The Nicaraguan revolution is a zealous guardian of territorial integrity. Any attempt at separation will be crushed with the arms of our political will, in defense of our sovereignty and territory integrity, and with the guns of our Sandinist People's Army. [applause]

If anyone has illusions on the subject, we would like to tell them that we have at the ready all the moral forces of the nation. We have oiled all our rifles and mortars. We have our tanks lined up in the combat position and, above all, we have in their combat positions the soldiers of the revolution, as well as the workers and peasants of the Sandinist people's revolution. [cheers and applause; chants of "Long live the revolution" accompanied by rhythmic applause and more chanting of slogans]

We have just heard Companero Leonte Herdocia, a great defender of human rights and justice. I believe we must speak of justice, and what better place to speak of justice than in a revolution. We have heard Pinochet speak of justice. And we have heard Stroessner speak of justice. And Duvalier, and even Hitler. And we have heard talk of justice at international forums and in electoral campaigns and in the newspapers and at the United Nation also. And we have heard Mr Haig speak of justice. [shouts from the crowd] We have heard Mr Haig speak of justice. [shouts from the crowd]

There is internal justice in each country and there is international justice. But we speak of a very specific justice and not the justice of which that Pinochet, Duvalier or Mr Haig speak. We speak of a different kind of justice. [Shouts, applause, chants of "Borge, Borge" followed by revolutionary slongans]

What justice are we speaking of? We are speaking of a justice that, while defending society, will defend each and every one of its members; of a justice that, while defending the rights of judges, will also defend the rights of the defendants; of a justice that will defend both the rights of the combatants who are guarding the jails and the rights of the prisoners; of a justice that will watch over the rights of children so that their mothers will not have to sell their bodies to feed them; of the peasants' right to be something more than just owners of the land, and of the workers' right to aspire to more than just the crumbs which the rich throw under their table.

When the Sandinist Front Natinal Directorate asked me to write the (Juan Jose Cacada) combat unit proclamation, based on a unit under the direction of Commander Eduardo Contreras in the victorious action of 27 December (?1934), I wrote that we would be implacable in combat and generous in victory. This sumarized the philosophy of the Sandinist revolution with its enemies. The National Guard as an organization was swept away, pulverized, and each national guardsmen who survived the war has been treated, as far as possible, with the greatest generosity. Many of them ahve been released, and those who are still in prison are participatns in an effort we are making to establish a modern and deeply humane penitentiary system.

We see the prisoners not as objects of punishment, but as subjects for transformation. Therefore, every prisoner in the penitentiary system will have the opportunity to work and to reclaim himself. We truly do not have the vocation of jailers. Our vocation has been, is and will always be fighters for freedom and justice. [applause]

Therefore, we have wanted to transform penitentiaries into work centers. Unfortunately, this political desire of the revolution is limited by the country's difficult economic situation. We have developed literacy programs in the jails. We have given each prisoner a bible. Priests are permitted to hold religious services in the jails. We have established culture center and sports and artistic teams. We have eliminated at the roots the physical mistreatment of prisoners and have even eliminated verbal aggression.

Our government had planned to grant a certain number of pardons this Christmas. Unfortunately, our specialized organizations have verified that a large number of the guardsmen pardoned in the past are now part of the counterrevolutionary murderers and that some of those involved in the cowardly criminal attack on the AERONICA plane are also pardoned prisoners. No more, no less. The photograph of one of them is around here somewhere. This means that in the future the selection of pardons will be made more carefully in accordance with the broadly generous policy of the revolution. For the time being, there will be no pardons. [long applause]

The junta of the Government of National Reconstruction asked me to say what I just said and to point out that in the future mechanisms will be prepared to bring the generosity of the revolution into harmony with the requirements for the defense of the fatherland. We freed them and they went out to plan murders. The policy know that most of the individuals we have released have taken up lives of crime of every kind. Unfortunately, these were national guardsmen, and you know what that means in this country. They will have to go through a long reeducation and rehabilitation process. We do not want to destroy them, but to rescue them as human beings. [applause]

Since victory, many Christians and many catholic priests and evangelist pastors have identified themselves with the revolution. It cannot be said, however, that all the priests, pastors or religious leaders are identified with the creative liberation effort of our Christian people.

[Words indistinct] that in our country there is complete freedom of religion. This freedom is not limited by the revolution but by some sectors of the ecclesiastic hierarchy that have adopted an attitude of persecution against religious leaders who support the revolution and an attitude of full identification with the reactionary forces that oppose the revolution. It also seems that some prominent Christians opposed to the revolutionary government are often promoted more as political leaders than as Christian leaders. The Sandinist revolution does not ban religious sects and does not repress evangelical expressions which favor the poor.

The Sandinist revolution does not repress evangelical interpretations favoring the rich, and much less those that favor the poor. In Nicaragua, as long as there is a Sandinist revolution -- that is, always -- there will be religious freedom. [applause] Many of the most beautiful Christian festivities, such as the Holy Mary festivity, are already part of our national heritage. The revolution shows respect and demands respect. The revolution deeply respects the church and we hope that the representatives of the church respect the revolution and the Nicaraguan Christians. [applause]

The Christian Nicaraguan people are unselfish and heroic. We have given an example to the world. We work every day, and don't want to do the work of others because we work the land and we work in factories. The revolution shows respect and demands respect. If we have given an example, it has not been only in the matter of respect, which would be too small an example, but in our open arms and hands extended toward various sectors of the country, including the church leadership.

We are sure that our mature and responsible position will be fully understood by the leaders of the Catholic Church and by the leaders of other religions in our country. They are entitled to the right to believe in and to worship God and no one here will ever be persecuted because of his religious beliefs. But religion is one thing and counterrevolution is another. While it is true that no one will be persecuted for his religious beliefs, we do guarantee that there will be persecution for counterrevolution. [applause]

Companeros, we have the right to speak about human rights because we don't exploit other people and we never will, because we don't build neutron bombs and we never will, because we don't intervene in the affairs of other nations with anything else than with our example and we never will. We have the right to speak because we are not aggressors and we never will be, because we don't talk of peace while we prepare to wage war on other countries, because we don't support genocidal and inhuman regimes, because we don't torture people and we never will.

We have the right to speak about human rights because we don't discriminate against blacks or Indians, because we are not an international gendarme, because we don't have a Ku Klux Klan in our country, because we don't threaten anyone, because we will never murder black women or children, because we will never kill men like Martin Luther King. We have the right to speak because 100 years from now, another Martin Luther King will not have to tell us that blacks are still shackled by segregation and chained by discrimination, that blacks are in poverty in the midst of material property and that blacks feel like refugees in their own country. No one will ever file these charges against us, as Martin Luther King did.

Maybe we can be accused of other things. Perhaps they can accuse us of being poor. Perhaps they could tell us we are too proud and have too much dignity, but no one will ever accuse us of being racists. Perhaps we can be accused of being dreamers, of not being afraid of the powerful, but no one will ever be able to accuse of consciously violating human rights.

If some day someone wants to put us on the defendant's seat, let them file these charges against us: You are guilty of loving your fatherland more than your life, of loving humankind and of being intransigent with the war cry that made invaders tremble in panic and that inflamed the Nicaraguans' temper and honor.

They can accuse us of anything but of being traitors or cowards. No one will accuse us of mistreating anyone, of violating human rights. When our revolution won, human rights won. When we shout Sandino's slogan, we are saying that human rights in Nicaragua have more value than life itself because human rights are identified with love for the fatherland and for humankind.

This is why, delegates and people of Nicaragua, at this difficult moment when we are being attacked, when our military forces are wearing combat array, now and always, we will continue respecting human rights. We will do this while clutching the gun the people have given us, and while receiving the people's guns to defend the attacked fatherland. Under the most difficult situations we will continue to be an example and a showplace for human rights.

Free fatherland... [people shout "or death"]

SOMOZISTS BLAMED FOR AERONICA PLANE SABOTAGE

PA242025 Managua BARRICADA in Spanish 19 Dec 81 p 3

[Editorial: "The Attack Was More Than Just Placing the Bomb"]

[Text] According to the investigation, the attack against the AERONICA plane was plotted in El Salvador. Due to the plane's customary flight schedule, it is not possible to indicate any other place with greater precision than that country in pinpointing the origin of the attack. There are other reasons why this conclusion is logical: In addition to its own criminal nature, the regime in El Salvador makes that country a comfortable refuge for Somozists with records of genocidal activity during the dictatorship. That country is fertile land for the continuing cultivation of crime. In addition, however, behind the direct authors of criminal acts like the attack on the plane, is the economic and social system which the exploiters here and over there like to call an "example of democracy" -- Yankee imperialism. Here are their Central American allies, who stimulate and protect them, as was demonstrated when the Christian Democratic junta of El Salvador refused to extradite the hijackers of a Costa Rican plane, an act which could well be labeled a rehearsal for the crime committed later in Mexico.

Those who ignore the crimes of the Salvadoran Christian Democratic junta, or find justification for them when they cannot ignore them, are indirectly responsible, just as those who term "Marxist-Leninist subversives" the victims of genocide everywhere. Furthermore, those who, like LA PRENSA, do not oppose arming the dictatorships but agitate against the need and the right of the Nicaraguan people to arm themselves for self-defense, are also indirectly responsible. They are the same ones whose goals coincide with the desires of the Somozist terrorists who want to find the people unarmed at the moment of implementing their criminal actions. The false prophets of "so many" other "ways" and the paths of "reconciliation" with those who train, arm and finance the criminal actions of the Somozists are also intellectuals disguised in white gloves. In the sabotage of the AERONICA plane they have the answer to their hypocrisy.

The fact that the 117 AERONICA passengers survived this criminal act by the Somozists and their allies does not mean that it is time to let our guard down. The blockade has been established, not by the navy, but by simple terrorism. Since "persuasion" in the diplomatic talks at international conferences has brought no results for imperialism, it is now trying to isolate Nicaragua through terror. The murder of peasants and internationalist teachers is the practical result of the threats and libelous charges made by the Haigs and their spokesmen. Since the punishment of this crime is beyond our jurisdiction, we can demand an end to the voice which encourage terrorism under the guise of supposedly democratic expressions. Pluralism is not libertinage for the prophets of hate because there is no pluralism between life and death, and the revolution is prepared to defend life.

TELEVISION COMMENTARY ON REAGAN ADDRESS

FL241836 Havana Domestic Television Service in Spanish 1247 GMT 24 Dec 81

[International commentaries section with Roberto Agudo, from the international desk, and Miguel Roa, of the staff of PRENSA LATINA]

[Text] [Agudo] Well, thanks to Mr Ronald Reagan, President of the United States, Poland continues to be one of the most important international topics throughout the world. And this is going to be the cornerstone of our dialogue.

As you know, comrades, last night at 2100 on the dot, Washington time, Mr Reagan read a 10-page speech over all the country's radio and television stations, of the United States of course. According to the U.S. press agencies, the speech was drafted by Reagan, Secretary of State Alexander Haig, the chief of the National Security Council, and by White House Adviser Edwin Meese.

The central theme, as was expected and which was known by everyone, centered on Poland. And, briefly, President Reagan threatened to apply a series of economic and trade reprisals against Poland and the Soviet Union if they did not demonstrate moderation, he said, in the development of the events that that European country is experiencing.

I have to point out, in order to begin the discussion with Comrade Roa, that Mr Reagan did not come up with anything new; that the greater part of the reprisals had not only been previously planned and decided on but more than one, especially the economic reprisals, had already been put into effect against Poland. I refer directly to the White House request to banks to deny Poland new loans or extend the terms of outstanding loans. That is a reprisal already in effect. Is that not so, Roa?

[Roa] Yes, precisely. What I wanted to make clear was that those measures had already been arranged. That is, the suspension of trade with Poland, the suspension of Polish civil aviation landing rights in the United States and also the suspension of certain fishing rights that Poland had near the U.S. coasts. Let us say that this had immediately been applied. When President Reagan spoke, these measures had already been arranged and as you pointed out earlier, one of the measures that had already been taken before his speech was the suspension of the refinancing of Poland's foreign debt. And one thing that I want to point out is that these measures not only constitute and intervention in the internal affairs of a country, because it is something provided for in the Polish constitution... that is to say, the state of emergency as it was decreed 10 days ago in Poland, is something that has been provided for by the constitution. It is something perfectly legal, but not only that, it is something that is within the competence of every nation... which should take the necessary measures when it sees that the security of its state is in danger. What I wanted to refer to is that Poland's foreign debt is around $26 billion and its debt with the United States is around $3 billion, which is to say that the measure by itself cannot trigger a great bankrupcy within the Polish Government, that is, it would not be an effective measure in this case. The peculiar thing about the measures announced by President Reagan is that they constitute an encouragement to counterrevolution. That is to say, in the same measure where the president of the main imperialist power says: Let's sanction Poland because Poland is taking self-defensive measures, it also encourages and incites counterrevolution in Poland. And percisely, this Reagan decision was taken because Polish authorities' actions put a halt to counterrevolutionary activity. I believe that this the most... one of basic aspects of Reagan's speech, that is to say, it is an action directed toward encouraging the counterrevolution to continue its action against the properly constituted authorities in Poland.

[Dimas] Yes Roa, and I was remembering that the threats of economic reprisal, in this case against the Soviet Union, refer directly to imposing an embargo on grain and to some technological equipment that were to be sold, and bring to mind one of Reagan's statements during the presidential campaign less than a year ago, when he openly criticized Carter for having suspended grain sales to the Soviet Union and said Carter had taken a punch at the Soviet Union and had knocked out the American farmers, who were the real losers in that. And I say this because at this time it is well for us to remember that U.S. exports to the Soviet Union, especially in grain this year, increased almost by 90 percent during the first 9 months, according a figure given by the Economic Trade Council, which establishes the guidelines for trade between the two countries. From January to September, exports or sales from the United States to the Soviet Union exceeded $1.5 billion compared to $821 million during the same period last year. The increase was 88.9 percent. During that period, the United States bought $292 million in products from the Soviet Union. It is superfluous to say that there is a difference here ranging from more than $1.5 billion to $292 million, so who is going to be hurt by this alleged threat if it should be put into effect?

[Roa] This has not been categorically and publicly announced, but there are high government officials in the State Department and the White House who have speculated with the press about the possibility of imposing the embargo again, and as you have pointed out, it is a complete absurdity. I don't believe that it will come to pass in the end...

[Dimas] There are too many internal pressures, yes.

[Roa] Precisely. Reagan lifted the embargo and found himself pressured by farmer protests to renew grain sales to the Soviet Union. But there is something else that is very interesting in the U.S. threats...and it is that they refer to a suspension of the talks on the limitation of nuclear arms in Europe, and it is well to point out that these Geneva talks are not a concession made by the U.S. government to the Soviet Union. Actually, the Soviet Union in its pursuit of peace, has been the one that for years has insisted on the establishment of those talks in Geneva. But in accepting, President Reagan is not guided by a desire to accommodate the Soviet Union but is responding to the wave of demonstrations which have taken place in Europe in the last few months demanding the limitation of nuclear arms in Europe. Everyone knows that hundreds of millions of people have demonstrated in Europe demanding the removal of U.S. missiles... the non-deployment of U.S. missiles. Then, in this situation, European governments have also been pressured by their own people to demand that the United States negotiate with the Soviet Union on the limitation of nuclear arms; that is to say, that if U.S. allies are demanding that President Reagan hold these talks -- if the European people are insisting that these talks be held -- it is difficult for the U.S. administration to play at blackmail with the Geneva talks, because the problems of disarmament -- as related to peace and an easing of tension -- are of interest to everyone. Therefore, it is not a concession to the Soviet Union and because of this, it is not a weapon that can be of much use in this case concerning the Polish situation.

[Dimas] And on internal order, we have to point out that situation in Poland has been gradually returning to normal. And it is well for us to remember that official Washington has always been subject to rumors, speculations, falsifications, and lies, but in the case of Poland it has gone way beyond normal. The truth is that instead of the 10 million members that capitalistic propaganda said Solidarity had, it has now turned out to be a few thousand; and its leaders...the majority of its leaders...are jailed or in hiding. Also, from the 45,000 people that they say had been detained, the truth is that some 5,000 have been freed, have returned to their homes and to their jobs; and that 20 provincial tribunals have been assembled to begin legal proceedings against only 54 persons, who were the strike leaders in Poland or had instigated the strikes. The normal work pace in the factories is being reestablished and an increase in labor production, although not in all areas, has been registered.

It is also false, as has been reported in the U.S. press, that there have been more deaths than the seven that have been registered since the state of emergency was decreed. And it is false that Walesa has suffered a heart attack, and much less that he has made a call to the Polish workers or anything like that. What has been proven, and proven by foreigners stationed in Poland -- many of them from the diplomatic corps -- is that Walesa is in perfect health, and has been able to meet with government officers and church officials that have gone to see him; and that in addition, he has been visited by his wife and children there. He has been treated properly and in accordance with the human rights that exist in all countries of the socialist community, that is I don't know when they will stop their lies...how long they will keep up this kind of speculation. And the best way to show that Poland is gradually returning to normal are Reagan's words yesterday...those threats. If he had not made those threats...then really...

[Roa] The truth is that those threats only serve to demonstrate that the situation in the country is returning to normal, as you were pointing out, because if that was not the case then he had no reason to make threats for the future. He says that if the authorities do not lift the state of war, if they do not free the leaders of Solidarity that are jailed, the United States would adopt new measures against Poland, that is, they acknowledge failure beforehand.

And in this, what is really lamentable is that Poland is in a strategic and privileged position in the European Continent and that whatever happens in Poland will greatly affect the course of peace or war in the old continent. Therefore, it will determine what could happen...whether there will be peace or war in world in general. That is why Reagan's declaration yesterday, by encouraging the war, by encouraging subversion in Poland, is not only an interventionist policy but also a provocating attitude and totally disturbing, because it is going to lead to a situation in which the East-West tensions will be increased. And it will not contribute to international peace.

[Dimas] Well, comrades, now you have sufficient information to analyze the situation in Poland again. Comrade Roa has been clear and precise in his contribution on how we can analyze and judge the Reagan speech. We have taken more time than was alloted to us, but we thought it necessary in order to clear up some points. Revista de la Manana now continues.

COMMENTARY VIEWS REAGAN'S FIRST YEAR IN OFFICE

PA251215 Havana International Service in Spanish 0000 GMT 25 Dec 81

[Station commentary]

[Text] It is undeniable that at the conclusion of its first year, the present U.S. regime has been loyal to the extreme reactionary and aggressive program proclaimed by its leaders during their electoral campaign.

As we all know, this program was supported by only 26 percent of the voters. Thanks, however, to the marvels of the democratic representative system, this support was enough to place in power a political group representing the most anachronistic reactionaries in the United States.

The great electoral masses in that country are increasingly reluctant to participate in these alleged consultations of the peoples' will. This shows that the people are gradually losing confidence in the system.

During this year, President Reagan and the group of cavemen politicians around him have done everything possible to worsen international tension to critical levels. They have promoted the arms race and the most irresponsible aggression in U.S. relations with the revolutionary and progressive world.

In its domestic policy, the U.S. has taken economic and social measures which favor the large capitalists to the detriment of broad popular sectors. This has been reported in the white paper recently published by the U.S. regime as a balance sheet of its actions during the past 12 months.

The service record of the present U.S. Government team clearly shows its monopolist and militarist orientation. At the same time, that record serves as a report and an oath of allegiance to those who placed it in power, that is, the most reactionary circles of the ruling classes in that country, especially the military-industrial complex.

The white paper fully supports a well-known fact. It shows that the Ronald Reagan administration is based on three fundamental principles: a foreign policy based on positions of force; the creation of a more favorable climate for monopolies; and the implementation of a frontal attack on the vital interests of U.S. workers.

Its authors are launching a brazen challenge to the usually accepted international norms, the UN Charter and the decisions of the most important world forums, when they openly express their imperialist attempts at world domination, the creation of a sort of pax Americana based on blackmail and military threat and the development of a confrontation climate at all levels.

A statement in the white paper proves this. It says that President Reagan's foreign policy encourages the establishment of an international order corresponding to the fundamental U.S. values and tries to maintain and consolidate the dominating role of the United States throughout the world.

Independently of the will of its authors, the white paper which the U.S. Government recently published regarding its actions during the past year is another convincing document of accusation of the inhuman nature of the bourgeoise society in the United States, where the vital interests of millions of humble Americans are sacrificed for the benefit of a handful of tycoons, and the existence of humanity is threatened.

AALAPSO REPUDIATES GOLAN HEIGHTS ANNEXATION

FL242345 Havana Domestic Service in Spanish 2230 GMT 24 Dec 81

[Text of Afro-Asian-Latin American Peoples Solidarity Organization [AALAPSO] Executive Secretariat statement issued in Havana on 24 December]

[Text] The AALAPSO repudiates the new aggression by the Zionist Government of Israel, which, violating the most elementary norms of international law, has decreed the virtual annexation of the Golan Heights, a 1,185-square kilometer area that belongs to Syria, occupied by force in 1967. This expansionist action, which Israel is able to carry out because of U.S. support, is tantamount to a declaration of war on the Arab Republic of Syria, which has reaffirmed that it will continue to use suitable means and measures to defend the independence of all of its territory.

The Tel Aviv decision to officially annex the occupied Golan territory is a threat of Israeli expansionism for the Arab people of Palestine in the territories of Gaza and the West Bank. The Zionist measure cannot be divorced from the unlimited support that the United States gives Israel in all of its aggressions against the Arab peoples. This Israeli action is not far removed from Washington's current interventionist atmosphere as demonstrated by the pressures of Yankee imperialism on Libya and the increased U.S. military presence in the Middle East, which is a threat to independent states and the Arab liberation movement, and to peace in the area and the world.

AALAPSO strongly condemns this new step by Israel against Syria and demands the immediate withdrawal of the Israeli troops from the occupied Arab territories, including the Syrian territory in the Golan Heights. AALAPSO charges that these actions are part of imperialist plans against the Arab peoples as demonstrated by the recent strategic agreements between Washington and Tel Aviv. AALAPSO calls on the revolutionary, progressive and democratic forces of the world to manifest their rejection of this illegal measure that violates the inalienable right of the Syrian people.

CASTRO CHAIRS PLENUM ON ECONOMIC DEVELOPMENT

FL261337 Havana Domestic Service in Spanish 1145 GMT 26 Dec 81

[Text] The fourth plenum of the party's Central Committee was held yesterday. The party's first secretary, Commander in Chief Fidel Castro, chaired the plenum, which approved the report of the party Controls and Revisions Committee and the party's 1982 budget. The plenum also examined the projects of the 1982 economic development plan and the state's 1982 budget, as well as other matters to be discussed at the forthcoming People's Government National Assembly.

Commander in Chief Fidel Castro made the closing remakrs.

It was also learned that the state's comprehensive economic and social development plan for 1982 and the state's 1982 budget will be discussed and approved at the last session in 1981 of the People's Government National Assembly. The state's top organ will be installed Monday for a new 5-year period.

HONDURAN PARTY LEADER COMMENTS ON EL SALVADOR

PA270344 Havana International Service in Spanish 0000 GMT 27 Dec 81

[Radio Havana interview with Rigoberto Padilla Rush, secretary general of the Communist Party of Honduras, in Havana; date not given -- live or recorded]

[Text] [Question] Padilla, the U.S. Government has taken a new step in its military support to the Salvadoran junta and, according to information revealed, it has decided to train 1,600 Salvadoran soldiers on two military bases in U.S. territory. How do you evaluate that U.S. decision at this time, as the year 1981 nears its end?

[Answer] I feel it is a negative sign for peace in Central America and it only confirms the stupidity and blindness with which the U.S. politicians now in the White House are handling the problems of the Central America.

They did the same in Vietnam. They started with a handful of advisers who recommended logistical support which demanded the presence of more soliders until they found themselves involved in a full-scale war which demanded the presence of millions of U.S. soldiers and marines thousands of miles from their homeland.

All this done without the consent of Congress, without the consent of the U.S. people and without the approval of the Senate, without war having even been declared. It was brutal aggression against a small nation which later was able to achieve not only the admiration, but also the solidarity of the U.S. people themselves, who were totally opposed to this type of villainy.

I understand the White House executive chief has power to mobilize up to 50,000 soldiers. But where is this madness with which they are handling the situation in Central America going to lead them? A situation that has become quite explosive, which could involve millions of people, and which could become a center of tension really dramatic throughout the world. I believe they are heading into a new trap, because it is no longer a matter of whether the Salvadoran Army can do anything. The Salvadoran Army can no longer even absorb the technology they may be offered or any additional number of soldiers to repel the FMLN insurrection.

To me, it means they are preparing for an intervention, in which unfortunately they are going to try to involve the Central American armies and peoples. That was the only objection of the "Hawk View" operation. In this case, they are going to bring into the conflict the armies of Guatemala and Honduras, even if only as operations bases.

There is even talk, in addition to the 1,600 Salvadoran soldiers being trained already in the United States, about the possible use of the Guatemalan and Honduran air forces; at least as far as certain types of planes are concerned, such as the (A-37), which can be used for general bombing operations.

We ask, however, will the Honduran pilots lend themselves to these maneuvers, after having sworn only to defend the national territory in the case of an attack? Will they lend themselves to this hateful task which their North American masters want to impose on them? I believe it is going to be very difficult for them to commit our people and the Honduran pilots, who have been molded in a concept of dignity and pride of their uniform and career. It will greatly depend also on the attitude to be assumed by some Honduran Army officers who have already stated their refusal to looking for a confrontation with El Salvador or Nicaragua.

What the U.S. Government has done is to take another step in the challenging escalation before public opinion which is forcing them to find in El Salvador a political solution rather than a military solution.

The repeated attacks by the Salvadoran troops [words indistinct] taking refugees members of Caritas and executing them, as denounced by the Honduran Catholic Church, are nothing but harassing actions against the population of nearly 30,000 Salvadoran refugees in the area. They are forcibly being transferred from that area to Mesa Grande, in Ocotereque, which is another imperialist plan to withdraw their people from the border to isolate, smother and hit the Salvadoran guerrillas.

COMMENTARY CALLS FOR REVOLUTION IN HONDURAS

PA280250 Havana International Service in Spanish 0000 GMT 28 Dec 81

[Our America commentary -- read by Manolo Ortega]

[Text] Honduras today is torn by the pressures of U.S. imperialism to turn that country into a base for attacks against the Nicaraguan revolution and the Salvadoran guerrilla movement, and by a chaotic economic situation which feeds explosive social tensions.

During 1981, the Honduran Armed Forces reasserted their role as a bulwark of Yankee imperialism in Central America. Therefore, not a week passed this year in which the Honduran Armed Forces did not implement some sort of punitive action against the Salvadoran revolutionary forces or support outlaw raids by groups of former Somozist guards who infiltrate Nicaragua to torture and murder defenseless peasants and sabotage Nicaraguan economic developments.

The Tegucigalpa regime has launched an uncontrolled arms race which absorbs a considerable part of the national budget, thereby continuing to worsen the economic crisis affecting the country. During recent months, the Honduran dictatorship has spent millions to purchase U.S.-made military weapons and equipment in accordance with the strategy outlined by Yankee imperialism in Central America. The so-called peace agreement signed in October with El Salvador is also a part of this strategy. That agreement is nothing but an aggressive alliance between the armies of the two countries in an attempt to frustrate revolutionary movements in the region.

Regarding the Honduran domestic situation, we note the increase of military and police repression against the civilian population. This is evident in the brutal torture of mass organization leaders, the constant vigilance of leftist political leaders and the constantly growing activities of the paramilitary gangs composed mostly by former and active-duty members of the army and police.

We must also note the chaotic economic situation confronting the country. This situation is increasingly made worse by open and shameless government corruption.

Unemployment, the high cost of living, the lack of housing, illiteracy and the lack of adequate services are generalized evils in Honduras, which aggravate still more, to unacceptable levels, the social problems affecting the large population majorities. During 1981, all this has caused dozens of strikes and street demonstrations by students and workers who demand socioeconomic improvements. There have also been several anti-government activities by guerrilla groups which include the Cinchoneros organization. Likewise, the last months of the year were marked by the constant rumors of coups d'etat preceeding the general election won by Roberto Suazo Cordoba, a 54-year-old conservative doctor and plitican who will assume power on 27 January.

After 18 years of absolute military control over the nation, with a single interval between July 1971 and December 1972 when the Ramon Cruz administration prevailed, many political sectors of the country doubt that the Honduran Armed Forces are really willing to withdraw to their garrisons and leave politics and the government to the civilians, according to the law.

Undoubtedly the coming months will be decisive in determining the sociopolitical panorama of Honduras. Geographically, that country is located in an explosive part of the world, in an area marked today by a growing people's rebellion. According to many observers, there is only one option in Honduras' immediate future: revolution.

PRICE INCREASES SUSPENDED IN RESTAURANT SECTOR

FL241408 Havana Domestic Television Service in Spanish 1203 GMT 24 Dec 81

[Text] The Politburo of the party's Central Committee and the Executive Committee of the Council of Ministers have ordered the provisional suspension of the new prices for the gastronomic sector. A commission has been set up to work out a proposal on the correct application of retail price reform in that sector. They have considered that serious errors have been committed in the gastronomic establishment category pricing, especially in those establishments frequented by large numbers of workers and students.

The new proposal to be worked out by the commission will be put into effect beginning in February of next year. All the contents of the reform, that refer to the commercial retail sectors, hotels and postal rates, will remain as previously announced.

Further Report

FL250119 Bridgetown CANA in English 0024 GMT 25 Dec 81

[By Lionel Martin]

[Text] Havana, 24 Dec (CANA-REUTER) -- The Cuban Government, in response to complaints from citizens, has suspended the increases in restaurant prices decreed on December 14. The news, which brought sighs of relief to millions of Cubans on Christmas Eve, was carried in today's daily GRANMA.

The December 14 "general price reform" decreed higher prices for more than 1500 consumer items including gasoline, as well as restaurants, nightclubs, and hotels.

Today's announcement said the Communist Party Politburo and the Executive Committee of the Council of Ministers had "come to the conclusion that serious errors had been committed" in applying the price reform to restaurants and other places where food is served, such as cabrarets and nightclubs.

It said that all prices should return to those existing before December 14 and that new and adequate price increases would be announced next February.

The order does not apply to the other increases announced on December 14.

The announcement said the government was especially concerned with exaggerated increases made in establishments catering mainly to workers and students. The December 14 decree had ordered price increases ranging from 30 per cent in class 1 restaurants to 11 per cent for class 7 eating establishments.

A REUTER survey showed that many eating places had raised their prices far more than the stipulated maximum. In a chain of popular Italian cafeterias in Havana, the price of a pizza rose from 1.20 to 3.00 pesos. A meal at the five and ten -- the former Woolworth's -- where many pensioners lunch, went up from 1.50 to 3.00 pesos.

In a small restaurant in the La Rampa section of Vedado in Havana, mainly frequented by workers and students, the price of a meal with ground meat as the main dish rose from 2.50 to 5.00 pesos. At a snack stand in the Marianao district of the capital, a cheese sandwich rose in price from sixty centavos to 1.20 pesos and a glass of soda pop from 10 to 25 centavos.

Many Cubans, including ardent supporters of the government, openly complained about the sharp price rises. Usually well informed sources told REUTER that a number of state managers had been arrested for arbitrarily raising prices beyond the legal limits.

While many protested about the new restaurant prices, few complaints were to be heard about the food price rise also decreed on December 14. One Havana housewife said that the prices of most of the foods included in the list had not been raised since rationing was begun in Cuba two decades ago.

Under the new price reform, rationed products like milk, beans, rice, sugar and meat have risen by between 10 and 100 per cent. But as these items are strictly rationed the increases will cost a family of four about eight to 10 pesos a month extra.

The average wage in Cuba is more than 160 pesos a month.

Although rationed products remain moderately priced, many consumer items on the non-rationed "parallel market" are dear. For instance, while rationed fresh milk, which is reserved for children under seven and persons with doctors prescriptions, costs only 25 centavos, a litre of milk on the "parallel market" costs 80 centavos.

PLO ENVOY TO UN ARRIVES ON OFFICIAL VISIT

FL261839 Havana Domestic Television Service in Spanish 1800 GMT 26 Dec 81

[Text] The PLO representative at the United Nations, Zudhi Labib Tarazi, arrived in Havana today in response to an official invitation from Isidoro Malmierca, a member of the Central Committee and minister of foreign relations of Cuba. The Palestine leader was received at the Jose Marti Airport by Lazaro Mora, director for nonaligned countries at the Foreign Ministry, and by (Inad Haada), chief of the PLO mission in Cuba.

NEW AMBASSADOR MEETS WITH PDRY OFFICIAL

FL241642 Havana Domestic Service in Spanish 1500 GMT 24 Dec 81

[Text] Aden -- Deputy Prime Minister Abu Bakr 'abd-al-Razzaq Ba Dhib received the new Cuban ambassador to the People's Democratic Republic of Yemen, Ulises Estrada. During the meeting, Ba Dhib, member of the Yemeni Politburo, made a positive evaluation of the support that has been given by the Cuban party and government to the Yemeni party and Government.

TRADE OFFICIAL LEAVES ROMANIA FOR BULGARIA

FL251935 Havana Domestic Service in Spanish 1927 GMT 25 Dec 81

[Text] Cuba's vice minister for foreign trade, Jose de la Fuente, concluded a 4-day visit to Romania and left for Bulgaria today. During his stay in Bucharest, De la Fuente discussed the development of trade and bilateral economic cooperation with Romanian leaders and officials.

COOPERATION TALKS OPEN WITH LAO DELEGATION

FL242320 Havana Domestic Service in Spanish 2230 GMT 24 Dec 81

[Text] The first Cuba-Laos intergovernmental session on economic and scientific-technical cooperation has begun at Havana's Sierra Maestra Hotel. The Cuban delegation is headed by Ernesto Melendez, first vice chairman of the State Committee for Economic Cooperation [CECE], and includes Juan Jose Leon, alternate member of the Central Committee and vice president of the National Association of Small Farmers; Ramon Soto, director for Asia and Africa at the CECE; and Luis Reyes, Cuba's ambassador to Laos. The Lao delegation is headed by Khambou Soumisai, alternate member of the Lao People's Revolutionary Party Central Committee and deputy chairman of the Committee on Wages attached to the Council of Ministers. Others in the delegation are (Samsom Mandaire), secretary of the Committee for Cooperation with Socialist Countries, and Sombat Chounlamani, Lao Ambassador to Cuba.

CPUSTAL MEETS IN HAVANA, EXPRESSES SOLIDARITY

FL251451 Havana Domestic Service in Spanish 1413 GMT 25 Dec 81

[Text] The Executive Secretariat of the Latin American Workers Permanent Congress for Trade Union Unity, CPUSTAL, has met in Havana at the invitation of the Central Organization of Cuban Trade Unions, a member of CPUSTAL. The CPUSTAL secretariat conveyed a message of congratulations to the workers, people and revolutionary government of Cuba and their leader and guide, Fidel Castro, on the 23d anniversary of the triumph of the glorious Cuban revolution to be observed on 1 January.

The CPUSTAL once again expressed its strong condemnation of the slanderous and vile campaign by the Reagan administration and its lackeys against socialist Cuba. Lastly, CPUSTAL reaffirmed its unrestricted solidarity with the Cuban revolution and reiterated its appeal to all workers and peoples of Latin America and the Caribbean to maintain solidarity actions with Cuba.

PERUVIAN DELEGATION MEETS WITH PCC OFFICIAL

FL261827 Havana Domestic service in Spanish 1700 GMT 26 Dec 81

[Text] A delegation of leaders of political parties belonging to the United Left Alliance of Peru has met with Manuel Pineiro, a member of the Communist Party of Cuba [PCC] Central Committee and chief of its America department. They exchanged views on the international situation, especially the situation in Latin America.